

State of Illinois
Rod R. Blagojevich, Governor



Department of
Commerce and Economic Opportunity
Jack Lavin, Director

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COW
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Cow Power Fact Sheet

USDA Farm Bill 9006

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Cow Power

Governor Blagojevich's "Cow Power" initiative neighbors by controlling odor while products. Anaerobic digestion¹ of the dairy peak load demand, and also produce use and/or natural gas in the winter months. Economic Opportunity (DCEO) has issued Resources Program (RERP) under the cow Stephenson County and the other in Carroll install 140-kilowatt generators at their facilities produce 2,044,000 kilowatt hours of clean renewable energy to power 800 average Illinois systems are expected to operate for the next

RERP fosters the investment in, and the resources within the State of Illinois. DCEO (RFPs) for renewable energy projects under will be posted at www.illinoisenergy.org which will fund up to \$225,000 for new Cow

Hunter Haven Farm Project

Hunter Haven Farm is a dairy operation with 600 cows and 500 young stock. The milking herd is housed in a free stall system with an adjoining milking parlor. Cows are milked three times a day in the parlor. There are 995 acres of agricultural land farmed that supply the hay and corn silage for the dairy herd. The waste is currently stored in a 5 million gallon holding facility until it is pumped and injected in the crop acreage in the fall following crop harvest.

The anaerobic digester system is constructed of concrete and has an expected life of 15 years. Pumps and water recalculation are commercially purchased. This system will utilize a 140-kilowatt electric generator with a heat recovery system to heat the digester, and the facilities will

¹ Anaerobic digestion is a biological process that produces a gas otherwise known as biogas. These gases are produced from organic matter. The gas can be used to produce heat or electricity that can be

Fact Sheet

is designed to help Illinois dairies be better producing electricity from the dairy's waste as manure will reduce odor problems and heat that will reduce demand for propane to date the Department of Commerce and two grants through the Renewable Energy Power initiative. Each dairy, one located in county, received approximately \$225,000 to ies. Combined the dairies are expected to renewable energy per year. This is enough Illinois households annually and these biogas 15 years.

development and use of, renewable energy periodically release's Requests for Proposals the RERP. As new RFPs are developed, they April 2005, DCEO released the Biogas RFP, Power projects in Illinois.



have a perpetual maintenance and service contract from the manufacturer/distributor that costs a rate of approximately 1.5 cents per kwh produced. This system is expected to produce 1,007,400 kwh/year or the equivalent of the electricity needed for 394 average Illinois homes for one year.

principally composed of methane (CH₄) and carbon dioxide (CO₂) wastes such as livestock manure, food processing waste, etc. at the facility or sold to the electric grid.

USDA Farm Bill 9006

The Farm Security and Rural Investment Act of 2002 (the Farm Bill) <http://www.rurdev.usda.gov/rbs/farmbill/> created a number of programs for rural America including a grant and loan program to help fund renewable energy and energy efficiency projects. This program, created in Section 9006 of the Farm Bill, is a 5-year program to help farmers, ranchers, and rural small businesses purchase renewable energy systems and make energy efficiency improvements.

On March 28, 2005 the USDA Rural Development Business Programs published a Notice of Funds Availability (NOFA) to implement the Renewable Energy and Energy Efficiency Program for FY 2005. The NOFA announced the availability of up to \$22.8 million in competitive grant funds for FY 2005 to purchase renewable energy systems and make energy efficiency improvements for agricultural producers and rural small businesses. Application deadline is June 28, 2005.

Requirements, as outlined in the **2005 Notice of Funds Availability** are:

- The project must be located in a rural area.
- The project must be for a pre-commercial or commercially available and replicable technology.
- The project must be technically feasible.
- The applicant must be the owner of the system and control the operation and maintenance of the proposed project. A qualified third-party operator may be used to manage the operation and/or maintenance of the proposed project.

Grant requests must not exceed 25% of the eligible project costs. Eligible project costs include:

- Post-application purchase and installation of equipment, except agricultural tillage equipment and vehicles
- Post-application construction or project improvements, except residential
- Energy audits or assessments
- Permit fees
- Professional service fees, except for application preparation
- Feasibility studies
- Business plans
- Retrofitting
- Construction of a new facility only when the facility is used for the same purpose, is approximately the same size, and based on the energy audit will provide more energy savings than improving an existing facility. Only costs identified in the energy audit for energy efficiency projects are allowed.

The following definitions are used by USDA to determine eligibility for funding under Section 9006:

- Rural – Any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census of the United States.
- Agricultural producer – An individual or entity directly engaged in the production of agricultural products, including crops (including farming); livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50% or greater of their gross income is derived from the operations.
- Small business – A private entity including a sole proprietorship, partnership, corporation, and a cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code). Excludes any private entity formed solely for a charitable purpose; Must be considered a small business concern in accordance with the Small Business Administration's (SBA) Small Business Size Standards by North American Industry Classification System (NAICS) Industry found in 13 CFR part 121; Including all parent, affiliate, or subsidiary entities at other locations.
- Demonstrated financial need – the applicant must demonstrate that it is unable to finance the project from its own resources or other funding sources without grant assistance.

All projects must be based on satisfactory sources of revenues in an amount sufficient to provide for the operation and maintenance of the system or project.

Section 9006 funding may be combined with the Department of Commerce and Economic Opportunity's Biogas Request for Applications (RFA) which was released in April 2005. DCEO funds will be available in July 2005 for dairy, swine, and municipal waste water sludge biogas systems. Applicants may request funding for up to 50% of the project cost with a maximum grant award of \$225,000. Please visit www.illinoisenergy.org for a copy of the RFA.





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